



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 12/17/2019 | Report No: ESRSC00917



## BASIC INFORMATION

### A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
El Salvador	LATIN AMERICA AND CARIBBEAN	P170854	
Project Name	El Salvador Integrated Landscape Management and Restoration		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	6/1/2020	8/3/2020
Borrower(s)	Implementing Agency(ies)		
Ministry of Environment and Natural Resources	Ministry of Environment and Natural Resources		

### Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to restore degraded land in El Imposible – Barra de Santiago Conservation Area.

Financing (in USD Million)	Amount
Total Project Cost	4.00

### B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

### C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

This project aims at investing in the restoration of degraded lands and improving biodiversity in sugar cane dominated landscapes in two key Conservation Areas of El Salvador. Mainstreaming biodiversity in these agricultural landscapes and preserving waterways will require a strong local governance and technical capacities to manage natural resources in a collective manner, and with active involvement of private landowners. Technical assistance to small and medium



cane producers to adopt best production practices and farm management plans that enhance ecosystem services of surrounding wetlands and mangroves will be delivered.

#### **D. Environmental and Social Overview**

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The project will be implemented across selected areas in the EIBSCA influence area. The EIBSCA is located in the southwest part of El Salvador, in 7 municipalities in the Departments of Acahualán and Sonsonate. EIBSCA is of critical ecosystem value for El Salvador, and hosts the highest concentration of biodiversity in the country, making it a priority region. The EIBSCA includes Natural Protected Areas such as the El Imposible National Park, Barra Santiago (Ramsar Site), Barra de Santiago and Garita Palmera marine reserves, El Bijagual Lagoon, El Salto, El Cortijo, Monte Hermoso y Las Colinas. The EIBSCA is also important for forestry and agriculture activities, with the production of basic grains, coffee, sugar cane, fishing and aquaculture representing the main source of income for the local population. In particular, the expansion of sugar cane production has played a central role with most new plantations having advanced to the central and western regions of the country, spreading into the coastal territories and mangroves near the project area.

Socioeconomic conditions of the region contribute to the deployment of the natural assets of the area. According to the 2010 census, the EIBSCA is populated by 194,713 inhabitants. The region has the highest poverty rate of the country affecting around 60% of the population living in the area. Education in the region is also poor with region performing the 2nd worst position in terms of school enrolling and the highest rate of analphabetism in the country. According to the National Salvadoran Indigenous Coordination Council (CCNIS) and CONCULTURA (National Council for Art and Culture at MOE), approximately 10 percent of Salvadorian peoples are indigenous. Indigenous communities represent some of the poorest and most excluded in El Salvador, with 61.1 percent of the country's Indigenous Peoples (IP) living below the national poverty line, 38.3% living in extreme poverty, and only 0.6% of the indigenous population able to cover their basic living conditions. IP engage in the low-wage agricultural sector, among other income-earning activities, with traditional income sources including coffee and sugar cane harvesting. With respect to land tenure, while 95 per cent of non-indigenous people in El Salvador live on their own land (and 5 per cent are renters), only 5 per cent of IP own land. 60 per cent of IP live on communal lands; another 35 per cent are renters.

The proposed project will intervene in a context of strong on-going land degradation due to deforestation and the employment of unsustainable agricultural practices, such as the heavy use of herbicides and pesticides. The project will generate enabling conditions to manage natural resources at the landscape scale, promote the engagement of the private sector in the conservation and restoration of key areas in terms of ecosystem services provision, and will provide technical assistance to farmers to adopt best production practices and to implement farm management plans that include biodiversity conservation elements.

#### **D. 2. Borrower's Institutional Capacity**

The project will be implemented by the Ministry of Environment and Natural Resources (MARN, for its acronym in Spanish), through a Project Implementation Unit (PIU). The PIU will be responsible for the implementation, management, monitoring and reporting of project activities, and will include an environmental and a social specialist to ensure effective management of environmental and social aspects and implementation of E&S instruments during project implementation. The MARN has led the project identification process, and has prior experience implementing Bank financed projects in compliance with the Bank's IPF environmental and social safeguards policies. This



experience draws upon a number of conservation and restoration related projects such as the El Salvador FCPF REDD Readiness Project (P124935) and the Protected Areas Consolidation and Administration Project (P092202). Given that this will be the first project under the new Environmental and Social Framework (ESF) to be implemented by the MARN, a capacity assessment will be carried out during project preparation to determine any capacity gaps and specific training needs of the Borrower in relation to the ESF. Regarding the capacity to manage social risks, particularly around multi-stakeholder engagement, MARN has gained particularly relevant experience through the stakeholder consultation process undertaken in the context of the aforementioned FCPF REDD Readiness project (P124935).

The Bank will provide training, as needed, and will guide the Borrower in what gaps may exist and in the type of assessments, planning and management instruments, as well as capacity building measures are required in order to ensure effective management of the proposed project's activities in compliance with the ESF. The Bank team will gauge the extent to which the Borrower is interested in more broadly updating their existing national instruments for country-wide REDD+ Readiness based on the ESF-compliant instruments to be developed for this project, and if so, this will be encouraged and supported through the project.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Substantial

#### Environmental Risk Rating

Moderate

The environmental risk rating for the project is moderate at this stage. The project will include different types of activities such as technical assistance, capacity building, and investments in restoration of degraded landscapes and sustainable agricultural practices within the EIBSCA. Overall, the project will promote the adoption of more sustainable and resilient land use practices that will contribute to the conservation of local and national important ecosystems and biodiversity; avoid forest and soil degradation; control erosive processes; increase the provision of environmental services, improve land use planning, organize productive activities under a landscape vision; and contribute to GHG reductions. The project will also incorporate best practices in key agricultural activities prevalent in the region (particularly sugar cane) among key stakeholders that will reduce the expansion of the agricultural frontier and heavy use of herbicides and pesticides.

Project activities are not expected to have significant negative environmental impacts. Possible negative impacts are expected to be site-specific, short-term and reversible. These are related to the management of land restoration and green cane harvesting activities and may include: (i) water overuse for watering of seedlings; (ii) improper waste management of cleared vegetation from green cane harvesting; (iii) potential use of fertilizers and pesticides in seedling production and land restoration activities; and (iv) careless use of machinery and equipment. No rehabilitation or construction of infrastructure will be financed.

#### Social Risk Rating

Substantial

The social risk classification for the Project is SUBSTANTIAL at this stage. The proposed project is generally expected to have social benefits that derive from: strengthened governance capacity for natural resource management at the landscape scale; increased awareness about the costs of ecosystem degradation and the benefits of ecosystem restoration; enhanced capacity to evaluate and monitor sustainability at the landscape scale; reduction in soil



degradation and improved biodiversity conservation through the restoration of degraded lands in agricultural landscapes and conservation of riparian forests and mangroves, and; increased sustainability of sugar cane fields in intervention areas from the adoption of green harvesting practices and biodiversity criteria. The rural population and agricultural producers will benefit the most from reduced erosion, ecosystem services and improved productivity through the adoption of more efficient production practices. Sugar cane producers -- mainly medium and small holders -- will benefit with direct technical assistance and incentives, while at least 1000 producers, mainly small holders and communities, will receive support to restoration practices and key ecosystem conservation. In addition, the population in the entire EIBSCA landscape will benefit from improved ecosystem services (mainly hydrological), reduced erosion, and reduced contamination.

Nevertheless, the project is being implemented in the region with the highest poverty rates in the country, and will rely on multi-stakeholder engagement in a context of multiple stakeholder groups with different interests and degrees vulnerability and dependence with respect to ecosystem services and agriculture, including IP. Additionally, tensions exist at present between communities and sugar cane producers due to water usage and expansion of sugar cane fields. Possible social risks associated with this project include: (i) failure to meaningfully engage local, ecosystem-dependent communities in efforts to coordinate with the private sector and strengthen governance of integrated landscape management, thus leading to the exacerbation of existing inequalities for vulnerable ecosystem/agriculture-dependent communities, particularly IP and other excluded groups (e.g. poor households, persons with disabilities, LGBTI people, women, youth); (ii) potential for economic displacement of local communities in accessing natural resources and ecosystem services within the degraded lands and critical ecosystems targeted by project interventions; (iii) possible increase in existing tensions between sugarcane producers and local communities over water usage; (iv) impacts on subsistence agriculture for food insecure households, and; (iv) potential child labor implications.

## **B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

### **B.1. General Assessment**

#### **ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

##### ***Overview of the relevance of the Standard for the Project:***

Based on the available information at concept stage, the project is expected to have moderate environmental risks and substantial social risks. Under Component 1 “Enabling conditions for integrated landscape management”, the project will finance technical assistance activities to: strengthen local governance for the management of natural resources; create awareness of the flow of ecosystem services in the landscape and the costs of environmental degradation, and; generate technical capacities to evaluate and monitor key factors in terms of sustainability at the landscape scale. The main social risk that could be associated with activities proposed under this component is the potential exacerbation of existing inequalities for vulnerable ecosystem/agriculture-dependent communities, particularly IPs and other excluded groups (e.g. poor households, persons with disabilities, LGBTI people, women, youth) if they are not meaningfully engaged in the creation of local government alliances, coordination with the private sector and development of awareness raising activities, and if their livelihoods needs with respect to resources within the EIBSCA project intervention areas are not factored into activities to strengthen sustainability monitoring at the landscape scale.



Component 2 “Ecosystem restoration to secure the flow of ecosystem services within the productive landscape” will finance: (i) restoration of degraded areas affected by the expansion of agriculture that are essential for ecosystem services provision and biodiversity connectivity, including riparian forests, mangroves and other ecosystems, and; (ii) technical support and capacity building activities among sugar cane producers for the adoption of best practices under the Bonsucro standard with a focus on the principle “Manage biodiversity and ecosystems”. This component will also finance technical support and trainings for the adoption of sustainable practices and to develop farm management plans that mainstream biodiversity and other ecological considerations, with special attention of ecological connectivity within farms. Potential environmental impacts from this activity are expected to be site-specific, manageable and temporary, and will be mostly related to water use for watering of seedlings, pesticide and fertilizer use, use of invasive species, organic waste management and occupational health and safety, among other impacts.. The main social risks related to the implementation of proposed activities under Component 2 are: (i) an increase in existing tensions between sugarcane producers and local communities over water usage; impacts on subsistence agriculture for food insecure households; possible child labor implications, and; the potential for economic displacement impacts due to restrictions imposed on local communities in accessing livelihood-supporting natural resources and ecosystem services within the degraded lands and critical ecosystems targeted by project interventions.

While not expected at this stage, project interventions relating to both Components could also have negative impacts on: tangible and/or intangible cultural heritage of IP communities residing in or with collective attachment to the EIBSCA, and; activities that require project staff and contracted personnel to work within project sites may imply possible security threats, given high contextual crime and violence in the country. Specific environmental and social measures to address the impacts from each project component will be included in the environmental and social instruments outlined below.

Based on the scope of the project’s proposed activities and given that the exact location of specific implementation sites is not yet known, the Borrower will be asked to prepare, consult and disclose a project-level Environmental and Social Management Framework (ESMF) in line with the Bank’s Environmental and Social Standards and the World Bank Group Environment, Health and Safety (EHS) Guidelines. The ESMF will include the following:

- (i) A project-level Environmental and Social Assessment (ESA) that will cover all project financed activities and will include a process of consultation with stakeholders, IP and other ecosystem and agriculture-dependent groups in the project intervention areas. The ESA will identify and analyze the potential environmental and social risks and impacts outlined above, and others that may be determined as relevant during project preparation. This would include analysis of the potential for increased tension over water resources between local communities and sugar cane producers; possible security risks related to the project; potential impacts and restrictions on vulnerable groups; land tenure status in the project intervention areas, including land tenure of IP and for small/medium sugar cane farmers targeted by the project; potential child labor risks in the sugarcane sector; food-security related risks in the project areas.
- (ii) The ESMF will also provide for the preparation of site-specific ESAs during project implementation, to assess potential social risks and impacts, and will define appropriate generic mitigation and management measures in



accordance with the mitigation hierarchy (anticipation and avoidance, minimization, mitigation, offset or compensation) and approaches for addressing specific risks based on the results of the ESA, as well as and opportunities for removal of barriers to access for IP and other vulnerable, excluded groups (e.g. poor households, persons with disabilities, LGBTI people, women, youth).

(iii) A generic Environmental and Social Management Plan (ESMP) with generic mitigation measures for the project's main activities (land restoration and green cane harvesting), as well as screening checklists and procedures to determine the type of activities that may require a specific ESMPs based on the scope and scale of identified impacts (e.g. based on project intervention sites, proximity to protected areas etc.).

(iv) Given the type of investments to be financed by the project, the ESMF will also include a project-level Integrated Pest Management Plan (IPMP), a Labor Management Plan (LMP), an Occupational Health and Safety Plan (OHSP), and a Chance Finds Procedure to be followed in the case that previously unknown cultural heritage is encountered during land restoration and green cane harvesting activities within the project intervention areas.

The ESMF will also include a GRM (with standalone procedures for project-contracted workers) and culturally appropriate and accessible mechanisms for IP and rural communities.

The Borrower will also prepare and disclose (before project appraisal and as early as possible) a Stakeholder Engagement Plan (SEP), an Indigenous Peoples Planning Framework (IPPF) and a Process Framework (PF), based on culturally appropriate consultation guidelines and principles for ensuring meaningful participation of stakeholders.

In addition to these environmental and social risk management instruments, the Borrower will prepare and disclose an Environmental and Social Commitment Plan (ESCP) prior to appraisal which will be reviewed by the Bank. The ESCP will include all necessary measures that the project will need to address during preparation and implementation to comply with the ESF, as well as monitoring and reporting arrangements during project implementation.

#### **Areas where "Use of Borrower Framework" is being considered:**

None.

#### **ESS10 Stakeholder Engagement and Information Disclosure**

The Borrower will undertake an in-depth stakeholder analysis during preparation to identify and assess project-affected people, beneficiaries and other categories of stakeholders. At this stage, the project's key stakeholders are expected to be public, private and social sector institutions, small and medium farmers, and communities living within or dependent upon ecosystem services and sugarcane agriculture in the project intervention areas. These communities are likely to be mixed, possibly including IP and non-IP households, and will be identified and analyzed early on in the Social Assessment to be sure that all potential project affected people, stakeholders or other beneficiaries are engaged through the stakeholder engagement process. The following potential stakeholders have been identified. Public sector institutions include: Ministry of Environment and Natural Resources (MARN), Ministry of Agriculture and Livestock (MAG), Municipalities, Council for Environmental Sustainability and Vulnerability (CONASAV), Local Advisory Committees on Protected Natural Areas (COAL), RAMSAR Local Committee, Biosphere Reserve Local Committee, FIAES, Natural Protected Areas Management (NPA), Inter-American Institute for





Agriculture Cooperation (ICCA), Tropical Agriculture Center for Research and Learning (CATIE) and National Agricultural and Forestry Technology Center (CENTA).

Initial identification of possible social sector stakeholders includes: NGOs including those at Restoration of Ecosystems and Landscapes Roundtable and National Indigenous Round Table on the Environment (MNIMA). From the private sector, stakeholders will likely include small and medium size farmers, Cooperativas Agropecuarias, Asociación de Productores de Caña and Fundazucar.

During project design, the various public institutions, private sector, donor and financial partners, civil society and relevant IP organizations will be invited to participate in preparatory activities to define the scope of specific project components such as capacity building activities, governance and market-based instruments. The Borrower will develop a Stakeholder Engagement Plan (SEP) to guide the process of engagement with stakeholders during project preparation and the life of the project. The SEP will assess stakeholders and project-affected parties, including an analysis of potential conflicts between stakeholder groups, for example existing tensions between local communities and sugar cane producers over water resources, and will describe the range and timing of information to be communicated to and consulted with project-affected people and other stakeholders. The SEP will include reference to the project IPPF for dedicated guidelines on consultation with indigenous stakeholders and will outline any specific measures to remove obstacles to participation and to allow the effective engagement of other disadvantaged or vulnerable groups.

Prior to appraisal, the following measures will be implemented: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will happen; (iii) consultation with stakeholders and other groups identified that might become relevant; and (iv) the disclosure of the Stakeholder Engagement Plan (as soon before appraisal as possible), information about the project, and its environmental and social assessment and management instruments as well as draft Environmental and Social Commitment Plan. The Borrower will propose and implement a Grievance Redress Mechanism (GRM) (with dedicated procedures for project-contracted workers) to receive and facilitate resolution of concerns and grievances, with socio-culturally appropriate and accessible mechanisms for IP and rural communities.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### **ESS2 Labor and Working Conditions**

The Standard is relevant given that the project may involve different categories of workers (direct workers, community-based labor, primary supply workers, consultants, civil servants working in connection with the project, whether full-time or part-time). While the exact number of workers to be contracted is not known at this time, activities to be financed within the EIBSCA (direct support to landowners on restoration practices and technical assistance to sugarcane producers) are not expected to be implemented at a scale large enough to imply labor influx impacts. However, this risk will be further assessed during project preparation, along with any potential labor influx implications related to the need to contract security for project personnel, if this is determined to be necessary.





During project preparation, the Borrower will develop written Labor Management Procedures (LMP) and a stand-alone Grievance Redress Mechanisms (GRM) for project-contracted workers. The project LMP will promote transparency, rights of project workers, nondiscrimination and equal opportunity in terms and conditions of hiring and employment, in line with the requirements of ESS2. The LMP will build on findings of the Social Assessment with respect to prevalence of child labor in the project area, with a particular focus on the sugarcane sector. The LMP will establish the minimum age for employment or engagement in connection with the project based on national law, and will define measures to screen out engagement of children over the minimum age but under the age of 18 in project-related activities that are hazardous or interfere with the child's education or that are harmful to the child's health or physical, mental, spiritual, moral or social development. The borrower will also develop and implement an Occupational Health and Safety Plan (OHSP) in line with the World Bank Group EHS Guidelines and will include specific Occupational Health and Safety (OHS) considerations in the ESMF to ensure health and safety of workers during restoration and green cane harvesting activities. Some OHS hazards associated with the project activities may include among others: (i) musculoskeletal injuries; (ii) respiratory distress; (iii) hazardous equipment and machinery; (iv) exposure to pesticides and other chemicals.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The standard is relevant given that the land use practices promoted by the project involve the use of water, pesticides, fertilizers, waste generation, and emissions of air pollutants. Some possible mitigation measures related to this ESS will include the following:

**Water use:** The project is expected to improve the quality and quantity of water in the EIBSCA in the long run. Nonetheless, access to water for watering of seedlings purposes as part of the land restoration activities will need to be carefully assessed. During preparation, the project will assess the potential that cumulative use of water across all beneficiaries meets the ESS3 threshold for requiring a water balance assessment.

**Waste management:** As part of the green cane harvesting activities, some generation of organic waste (cane waste) is expected. Organic waste will be managed as an asset and potential organic waste remnants unused in green cane harvesting activities will be disposed according to national regulation and international practices, specifically the Bonsucro Standard. The ESMF will include specific measures based on the 4Rs Principle of reduction, reuse, recycling and recovery for the management of organic waste and other waste (hazardous and non-hazardous) as a result of the project.

**Chemicals and hazardous materials (mainly fertilizers):** The Borrower will minimize and control the use of chemical fertilizers and soil amendments in the land use practices promoted by the project, and will promote the use of less hazardous materials (i.e. organic fertilizers) to the extent possible. The environmental and social assessment will assess the project's potential needs for fertilizer use and include mitigation measures and good practices accordingly.

**Management of pesticides:** potential use of pesticides as part of the project will be assessed through the environmental and social assessment during project preparation. Nonetheless, based on the available information up to date, an Integrated Pest Management Plan (IPMP) will be developed and included as part of the ESMF. The ESMF



will define institutional responsibilities and guide the preparation of the IPMP as needed, including sufficient budget for equipment and capacity building.

**Air pollution:** The project is not expected to result in significant air pollution, disturbance by noise or other forms of pollution. The adoption of green cane harvesting as opposed to sugar cane burning reduces smoke and ash emissions emitted to the atmosphere and the resulting health impacts from breathing smoke on workers involved in harvesting activities. In addition, the land use practices promoted by the project, such as land restoration and green cane harvesting, are expected to contribute to climate change mitigation through GHG reduction and sequestration. The project will undertake GHG accounting using an agreed methodology during project preparation.

#### **ESS4 Community Health and Safety**

This standard is relevant. The project will not finance any infrastructure, nor will it procure large equipment. Occupational Health and Safety risks are addressed in ESS2, while health risks to the community from the use of agrochemicals are addressed in ESS3. Moreover, the project is expected to increase the ecosystem services in its areas of influence; thus, it is not expected to generate impacts on ecosystems that may result in adverse health and safety risks to communities. Given that the project area is vulnerable to natural disaster risks, including coastal flood, potential volcanic activity, earthquakes, and hydrometeorological storms among others, the ESMF will include measures to address potential natural disaster events that may endanger the health and safety of the community.

During project preparation, a diagnosis of gender-relevant issues will be carried out as part of the Social Assessment and preparation of Environmental and Social Framework instruments. This diagnosis will build on the analysis generated during REDD+ preparation to better identify practical gender needs, including conditions of women in terms of access to resources, services and opportunities, and strategic gender interests in terms of decision making. The project will include measures that aim to contribute to closing gender gaps, and will encourage and monitor the participation of women in all project activities. The ESMF will also identify, assess and include measures for the mitigation of any SEA/SH risks (previously 'GBV'), as needed, including for ongoing monitoring during project implementation. Finally, the Social Assessment will also assess security risks in the EIBSCA during project preparation, and develop guidelines if necessary, to screen specific project intervention sites (once known) to determine the need for the Borrower to provide security for project-contracted personnel.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The Project will not finance physical infrastructure and is not expected to lead to involuntary land acquisition or physical displacement of formal or informal occupants. However, given the project will support interventions to restore degraded ecosystems in the EIBSCA, local communities may experience restriction in access to natural resources within the EIBSCA upon which their livelihoods depend (mangroves, for example), leading to economic displacement. A Resettlement Policy Framework (RPF) may need to be developed if restrictions on livelihood-supporting resources occur outside legally protected areas. This will be further assessed project preparation.

The Borrower will prepare a draft Process Framework (PF) during project preparation, and an RPF if deemed necessary. The PF will outline the procedures for screening of project-financed activities and for consultation with project-affected people in defining and mitigating economic displacement impacts covered under ESS5, as well as the



process for resolving disputes relating to resource use restrictions that may arise between or among affected communities. The PF will take into consideration cultural knowledge and will be consulted through participatory and socio-culturally appropriate consultation processes. Feedback from consultations will be integrated into the PF. An advanced draft of the PF will be prepared by Appraisal. For both instruments (including the RPF, if deemed necessary), site specific RAPs and Action Plans (for access restrictions) will be prepared during project implementation, as needed.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

This ESS is relevant given that project will finance ecosystem restoration and sustainable agriculture activities that are expected to have positive benefits for biodiversity conservation and sustainable management of living natural resources. The EIBSCA contains multiple ecosystems hosting important biodiversity and also faces severe forest degradation and soil erosion affecting ecosystems services and soil productivity. Furthermore, this Conservation Area has been identified as an Important Bird and Biodiversity Area (IBA) according to the Integrated Biodiversity Assessment Tool (IBAT), due to the presence of significant population species found within this region. Wetland ecosystems are of particular importance for the country due to their aquatic vegetation and role as an aquifer recharge zone. The EIBSCA is one of the sites with the greatest species richness and occurrence of restricted species in the country, home to four mangrove species such as *Rhizophora mangle* (red mangrove), *Conocarpus erectus* (botoncillo), *Avicennia germinans* (black mangrove) and *Laguncularia racemosa* (white mangrove), and a large amount of associated fauna such as mollusks and crustaceans (curil, donkey's hull, punche, jaibas, shell, clams, shrimp, blue crab and ajalín), as well as species of fish and shore birds.

This project is expected to reverse the negative impacts of existing land use practices through land restoration activities in the upper watersheds resulting in forest growth, carbon sequestration, aquifer recharge and water availability. Through the application of sustainable agricultural practices, the project will contribute to reduce erosion and excessive load of sediments in water bodies, reduction of water pollution in rivers, biodiversity conservation and recovery of mangroves. The ESMF will address the potential use of invasive species and will include mitigation activities accordingly.

#### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

This ESS is relevant because initial screening indicates that indigenous communities self-identifying as Nahuat-Pipil and who meet the criteria of ESS7 reside in the project's intervention sites and/or area of influence, in the states of Sonsonate and Ahuachpan. The Nahuat-Pipil comprise the most numerous of the three main indigenous groups in El Salvador today. While virtually all of El Salvador's Indigenous groups speak Spanish as their main language, "Nahuat" is the only indigenous language still spoken in the country, with the most traditional groups living in the western highlands near the border with Guatemala. Some selected project intervention sites for the implementation of ecosystem restoration, conservation, and adoption of more sustainable practices in sugar cane production may therefore be in areas where IP are present or to which they have collective attachment, while activities aimed at strengthening governance of natural resource management at the landscape scale could have implications for all ecosystem-dependent communities residing within or relying upon the EIBSCA -- including IP. Depending on the findings of the Social Assessment regarding the severity of potential risks for IP, the appropriateness of requiring consultations that achieve Free, Prior and Informed Consent (FPIC) will be considered during project preparation.



Additionally, project preparation and the Social Assessment will assess not only risks but also ways in which Indigenous communities can benefit from project activities. This may entail different design features, particularly given the fact that most IP in El Salvador operate under communal land tenure rather than individual land tenure evident in other communities.

The Borrower will prepare, consult and disclose an Indigenous Peoples Planning Framework prior to appraisal, and site-specific IPPs when needed – most likely during project implementation. The IPPF will draw on the results of the ESA in identifying potential risks, impacts and opportunities for inclusion for IP stakeholders in project benefits; land tenure of IP in the project area, including risks related to land rights and land claims of IP; how IP depend on the project area for their livelihoods and cultural identity and practices; risk mitigation measures and strategies for removing barriers to access and ensuring project benefits are culturally pertinent; guidelines for continued consultation during project implementation; guidelines for screening specific project sites, once known, for presence or collective attachment of Indigenous communities and development of IPPs for specific project interventions, and; a socio-culturally appropriate Grievance Redress Mechanism.

### **ESS8 Cultural Heritage**

While project activities are not expected to have a negative impact on tangible or intangible cultural heritage, the relevance of this standard will be further assessed during project preparation. Possible risks to be assessed could include: negative impacts on traditional conservation and production knowledge, and/or natural features with cultural significance to local Indigenous communities as a result of project interventions aimed at supporting restoration and conservation, and adoption of more sustainable sugarcane production. If appropriate based on the results of the ESA, the ESMF will include a Cultural Heritage Management Plan that will be consulted with IP and other stakeholders identified as relevant and disclosed prior to appraisal. Additionally, the ESMF will include a Chance Finds Procedure to be followed in the case that previously unknown cultural heritage is encountered during land restoration and green cane harvesting activities within the project intervention areas.

### **ESS9 Financial Intermediaries**

This Standard is not currently relevant for the proposed project.

## **B.3 Other Relevant Project Risks**

No additional social or environmental risks have been identified at this stage.

## **C. Legal Operational Policies that Apply**

### **OP 7.50 Projects on International Waterways**

No

The project type does not trigger OP 7.50 (i.e. the project does not fall under the categorization of “similar projects” according to para 2(a) of the Policy). This a small-scale project that includes land-restoration and biodiversity activities and for which there will be temporary water use for watering of seedlings to restore natural land and plant



cover in areas where currently unsustainable agricultural practices are applied. The project will not finance rehabilitation of existing or construction of new infrastructure.

**OP 7.60 Projects in Disputed Areas**

No

This policy is not triggered as the project will not work in disputed areas.

### III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

**A. Is a common approach being considered?**

No

**Financing Partners**

None

**B. Proposed Measures, Actions and Timing (Borrower's commitments)**

**Actions to be completed prior to Bank Board Approval:**

Actions to be completed prior to Bank Board Approval:

Prior to appraisal the borrower will prepare draft versions of the following documents that provide the necessary level of detail to inform stakeholder engagement and Bank decision-making and are key for understanding the project's most relevant environmental and social risks and impacts:

- Environmental and Social Management Framework (ESMF), including a project-level Environmental and Social Assessment (ESA), a generic Environmental and Social Management Plan (ESMP), project-level GRM that is socio-culturally appropriate and accessible to Indigenous and rural communities, Integrated Pest Management Plan (IPMP), a Labor Management Plan (LMP) with a dedicated GRM, and an Occupational Health and Safety Plan (OHSP).
- Stakeholder Engagement Plan (SEP) with a dedicated GRM
- Process Framework (PF)
- Indigenous Peoples Planning Framework (IPPF)
- Environmental and Social Commitment Plan (ESCP), including the preparation of site-specific ESF instruments (e.g. ESAs, IPPs, Action Plans, ESMP) outlining Borrower commitments for project implementation for any known project intervention sites.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- The implementation of the project-level ESMF
- The implementation of the project-level PF
- The implementation of the project-level IPPF
- The implementation of the SEP with its GRM
- The implementation of the LMP with its GRM
- Any necessary environmental and social capacity building measures



### C. Timing

**Tentative target date for preparing the Appraisal Stage ESRS**

01-Sep-2020

## IV. CONTACT POINTS

### World Bank

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### Borrower/Client/Recipient

Borrower: Ministry of Environment and Natural Resources

### Implementing Agency(ies)

Implementing Agency: Ministry of Environment and Natural Resources

## V. FOR MORE INFORMATION CONTACT

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## VI. APPROVAL

Task Team Leader(s):	Rodrigo Martinez Fernandez
Practice Manager (ENR/Social)	Maria Gonzalez de Asis Recommended on 10-Nov-2019 at 21:35:32 EST
Safeguards Advisor ESSA	Maria Da Cunha (SAESSA) Cleared on 17-Dec-2019 at 15:11:16 EST